

earth stations on a common carrier and/or private carrier basis. The FY 1995 cost allocation for geosynchronous space stations is \$4,978,750, resulting from the mandatory increase in the category's FY 1994 revenue requirement under the statutory fee schedule. Payment units estimated to be 35 operational space stations in orbit. Dividing the revenue requirement for this category by its estimated payment units results in a fee of \$142,250 per operational space station in orbit. See Appendix G. Thus, we are proposing that entities authorized to operate geosynchronous space stations in accordance with section 25.120(d) will be assessed an annual regulatory fee of \$142,250 per operational station in orbit. Payment is required for any geosynchronous satellite that has been launched and tested and is authorized to provide service. We are proposing no change to the rules for calculating and submitting regulatory fee payments by licensees of geosynchronous space stations. See *FY 1994 Order*, Appendix B at para. 35.

#### f. International Bearer Circuits

53. Regulatory fees for international bearer circuits are computed "per 100 active 64 Kbps circuits or equivalent." International bearer circuits are set forth in the International Service category in the FY 1995 fee schedule. The proposed fee is to be paid by the facilities-based common carrier activating the circuit in any transmission facility for the provision of service to an end user or resale carrier. However, we propose to modify our requirements for payment of the fee for bearer circuits by private submarine cable operators to require that they pay fees for circuits sold on an indefeasible right of use (IRU) basis or leased to any customer other than an international common carrier authorized by the Commission to provide U.S. international common carrier services. Compare *FY 1994 Order* at 5367. The fee is based upon active 64 Kbps circuits, or equivalent circuits. Under this formulation, 64 Kbps circuits or their equivalent will be assessed a fee. Equivalent circuits include the 64 Kbps circuit equivalent of larger bit stream circuits. For example, the 64 Kbps circuit equivalent of a 2.048 Mbps circuit is 30 64 Kbps circuits. Analog circuits such as 3 and 4 KHz circuits used for international service are also included as 64 Kbps circuits. However, circuits derived from 64 Kbps circuits by the use of digital circuit multiplication systems are not equivalent 64 Kbps circuits. Such circuits are not subject to fees. Only the 64 Kbps circuit from which they have

been derived will be subject to payment of a fee. The FY 1995 cost allocation is \$310,000 based on an estimated volume of 62,000 active 64 Kbps circuits or equivalent. For FY 1995, we are proposing an annual regulatory fee of \$5.00 for each active 64 Kbps circuit or equivalent. For analog television channels we will assess fees as follows:

Analog television channel size in MHz	No. of equivalent 64 Kbps circuits
36 .....	630
24 .....	288
18 .....	240

See Appendix G. for a description of the development of the fees for international bearer circuits. See *FY 1994 Order*, Appendix B at para. 45.

g. Inter-exchange and Local Exchange Carriers, Competitive Access Providers, Pay Telephone Providers, and Other Non-mobile Providers of Interstate Service

54. In the *FY 1994 Order*, we adopted the fees and calculation methodology for Inter-Exchange Carriers (IXC's), Local Exchange Carriers (LECs) and Competitive Providers (CAPs) contained in the section 9(g)'s fees schedule. We rejected proposals to modify the fees schedule because Congress intended us to adopt that schedule in its entirety for FY 1994. Under the statutory schedule, CAPs are assessed fees based upon their number of subscribers. As a consequence, some CAPs filed very small fee payments because they serve only a few subscribers even though these subscribers are large entities with heavy communications requirements. 55. Several of the commenters in the FY 1994 proceeding urged that we extend the fee requirement to other providers of interstate communications services, including resellers, in addition to those subject to a fee requirement under the statutory fee schedule. We declined to do so. However, we stated that we would review the fee schedule to determine if other carriers should be subject to the regulatory fee requirement for FY 1995.

56. We now believe that resellers and other carriers providing interstate services subject to our jurisdiction and directly benefiting from our regulation of the interstate network should be subject to a regulatory fee payment. In particular, we are cognizant that our decisions requiring facilities based carriers to eliminate any restrictions on the resale and sharing of their interstate private line communications services

and facilities and our continuing market surveillance has fostered the growth of a strong communications resale industry. In opening up the interstate network to resellers, we asserted our jurisdiction over their activities pursuant to Title II of the Communications Act.<sup>19</sup> We believe that carriers subject to our regulation should bear the costs of that regulation. For these reasons, we are proposing, as described below, to subject any carrier, whether facilities based or reseller, using the interstate network to a regulatory fee payment.

57. We propose to expand the schedule of fees for carriers to include not only IXCs, LECs and CAPs, but also domestic and international carriers that provide operator services, WATS, 800, 900, telex, telegraph, video, other switched, interstate access, special access, and alternative access services either by using their own facilities or by reselling facilities and services of other carriers or telephone carrier holding companies, and companies other than traditional local telephone companies that provide interstate access services to long distance carriers and other customers.<sup>20</sup>

58. The FY 1995 cost allocation for this category is \$39,000,000, resulting from the mandatory adjustment of the Commission's FY 1994 revenue requirement under the statutory fee schedule. See Appendix G. Because our proposal and a proposed alternative method of calculating fees for the carrier category, represent a significant modification of the method in which regulatory fees are calculated, interested parties are requested to file comments concerning the most efficient and equitable method for assessment of regulatory fees.

59. We propose to calculate carrier fees based on the number of customer units, i.e., the number of users of a service, provided by a carrier as of December 31, 1994. For access service

<sup>19</sup> See *Resale and Shared Use of Common Carrier Services*, 60 FCC 2d 588, 600 (1977) (In addition to allowing resellers to obtain lines from facilities based carriers, we declared that "[resale carriers], whether they be brokers or value added carriers \* \* \*, are equally subject to the requirements of Title II of the Communications Act."); see also *American Tel & Tel. Co. v. F.C.C.*, 978 F.2d 727, 735 (D.C. 1992) (finding that resellers and other nondominant carriers must file tariffs and offer their services pursuant to just, reasonable and nondiscriminatory rates and practices pursuant to sections 201 and 202 of the Act.) Resellers currently are subject to filing fees pursuant to section 8 of the Act.

<sup>20</sup> A holding company may combine fee payments of its operating companies and pay their combined fees for a particular service in a single combined payment or by installments, if the aggregate of their fees in a single service qualifies the holding company to make installment payments.